



Attorney General Jon Bruning

NEWS RELEASE

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Bruning Kicks Off Consumer Protection Week Focus on Employment Scams, Debt Relief, New Credit Card Rules

March 7-13 is National Consumer Protection Week

Note: A sound bite on this topic is available at: <http://www.ago.ne.gov>

(Lincoln, Neb) Attorney General Jon Bruning kicked off National Consumer Protection Week by offering up information on employment scams, debt elimination frauds, and newly revised credit card regulations today. NCPW is March 7-13 this year.

“A slow economy can put families into a desperate situation, which may make them vulnerable to scam artists,” Bruning said. “The best defense against these frauds is education.”

According to the Federal Trade Commission, scam artists and fraudsters are likely using the economic downturn to take advantage of consumers who are having financial problems.

Bruning was joined by U.S. Attorney Deborah Gilg, Postmaster General Kerry Kowalski, Lancaster County Sheriff Terry Wagner and Lincoln Police Chief Tom Casady.

Employment Scams

Scam artists are using different tactics to take advantage of job seekers. They may place ads on the Internet or in the paper offering a chance to earn money by working at home. Some of the work-at-home scams involve mystery shopping, rebate processing or compiling lists of information for a fee. Consumers usually have to purchase an initial kit to begin their home business.

Job hunter tips:

- Avoid any job that requires you to pay money up front
- Check out potential employers
- Protect your personal information – never give out your social security number or birth date until you’ve confirmed the employer is legitimate.
- If the job offer seems too good to be true, it probably is.

To download a tip sheet on employment scams go to: www.ago.ne.gov.

Debt Elimination

Some Nebraskans are drowning in debt. They may be in danger of losing their home or car or having trouble putting food on the table. Many people face a financial crisis during their lifetime, and some turn to online loans or debt elimination companies that promise to work with creditors to get rid of outstanding debt. Some companies ask for an up-front fee. They'll take the consumers money but won't provide any assistance. Be wary of debt elimination companies that:

- Charge high up-front or monthly fees
- Pressure you to make "voluntary contributions."
- Won't send you free information about services without requiring your personal financial information, like credit card numbers and account balances.

To download a fact sheet on identifying unscrupulous debt elimination companies, go to: www.ago.ne.gov.

Revised Credit Card Rules

On Feb. 22, the Credit Card Accountability Responsibility Disclosure Act (Credit CARD) went into effect. These regulations were designed to protect cardholders from the costly practices of some credit card providers.

- **Advance notice of changes** -- Credit card companies must send a notice 45 days before they increase your interest rate, change fees, or make any significant changes to an account.
- **No interest rate increases for the first year** – There are some exceptions:
 - If your card has a variable interest rate tied to an index.
 - If there is an introductory rate, it must be in place for at least 6 months; after that your rate can revert to the "go-to" rate the company disclosed when you got the card.
 - If you are more than 60 days late in paying your bill.
 - If you are in a workout agreement and don't make your payments.
- **Increased rates apply only to new charges** -- If your credit card company does raise your interest rate after the first year, the new rate will apply only to new charges you make. If you have a balance, your old interest rate will apply to that balance.
- **Restrictions on over-the-limit transactions** -- You must tell your credit card company that you want it to allow transactions that will take you over your credit limit. Otherwise, if a transaction would take you over your limit, it may be turned down.
- **Caps on high-fee cards** -- If your credit card company requires you to pay fees (such as an annual or application fee), those cannot total more than 25% of the initial credit limit.
- **Protections for underage consumers** -- If you are under 21, you will need to show that you are able to make payments, or you will need a cosigner, in order to open a credit card account and to request a credit increase.

- **Standard payment dates and times** -- Credit card companies must standardize the delivery of your statement and the due date.
- **Paying down debt** -- Payments must be applied to the highest-interest bearing balance first.
- **Eliminates “double-billing”** -- Credit card companies can only impose interest charges on balances in the current billing cycle.

Additional safeguards are expected to take effect in August 2010.

To download a fact sheet on the Credit CARD Act, go to: www.ago.ne.gov.

The Attorney General’s Consumer Protection Division is here to help Nebraskans. If a person believes he or she has been a victim of a scam or has a credit or debt concern, call 1-800-727-6432. Additional information can be found at www.ago.ne.gov and www.bbb.org.

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Sources: Attorney General’s Office Consumer Protection Division, Federal Trade Commission, and the Better Business Bureau